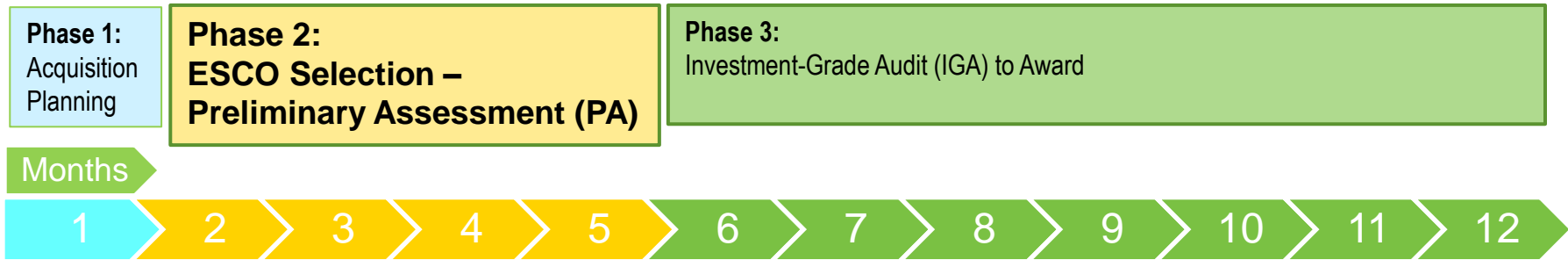




Phase 2

ESCO Selection and Preliminary Assessment

Phase 2: ESCO Selection – Preliminary Assessment



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ESCO Selection (Selection by Qualifications Method)

- ★ Send Notice of Opportunity to ESCOs
- ★ Evaluate ESCO responses; down-select to 2 or more (notify unsuccessful offerors)
- ★ Down-select to 1 ESCO to do PA (notify unsuccessful offerors)

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Preliminary Assessment

- ★ PA Kickoff Meeting
- ☐ ESCO Preliminary Site Survey
- ★ Agency Review of PA

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- ★ Go/No-Go decision
- ★ Issue Notice of Intent to Award (NOITA)

Key

- ★ Agency Action
- ☐ ESCO Action

Good News: Defense Authorization Act of 2011 (Sec. 828) makes ESCO selection easier

- Agency may down-select to 1 ESCO to perform Preliminary Assessment
- The DOE ESPC IDIQ has been modified to incorporate this change (see copy of IDIQ section H.3 in handbook)
- All DOE-FEMP ESPC ESCOs went through full and open CICA competition before IDIQ award

Overview of ESCO Selection Process (IDIQ Sect. H.3)

Agency sends notice of opportunity to all 16 ESCOs

ESCOs express interest & provide qualifications

Agency evaluates responses and down-selects to 2 or more

Agency requests more information (e.g., past performance, case studies)

Agency down-selects to 1 ESCO to do Preliminary Assessment (PA)

Agency down-selects to 2 or more ESCOs to do PAs

**A –
Selection
Based on
Qualifications
(SBQ)**

Evaluate PA

Evaluate PAs

**B –
Selection
Based on
PA (SBP)**

Select 1 ESCO
based on PAs

Proceed to Investment-Grade Audit

Notice of Opportunity (NOO)

- Tailor for project
 - Ask for information truly helpful in selecting best ESCO for your project and facility
 - Ask for information that will show whether ESCO's qualifications fit agency/site's needs
 - Include required ECMs
- Include required elements (see IDIQ H.3)
- Keep short to avoid wasted expense and effort
 - this is a qualifications-based selection from a fully competed list of IDIQ holders

Evaluating ESCOs' Qualifications and Past Performance

- Review ESCOs' qualification statements: (FEMP-ESPCs-ESCOs)
- Check past performance
 - Ask for contact info for ESCOs' five last projects (or projects in last 3 – 5 years)
 - Check Government-wide Past Performance Information Retrieval System (PPIRS)
- Before making selection, check *SAM for CCR, ORCA, and EPLS (see notes)

Select ESCOs for Further Consideration

- Evaluate responses to NOO
- Select only those worthy of further evaluation
- Issue notice to unsuccessful offerors
- Notify those selected — inform of next down-select process

Select One ESCO to Do Preliminary Assessment (PA)

- Hold written or oral discussions with two or more ESCOs selected based on NOO response
- Select ESCO to do PA
 - Agency selection approval process
- Notify unsuccessful offerors
- Notify successful ESCO
- Notify FFS and PF
- Schedule PA kickoff meeting

PA Kickoff Meeting

- Review roles and responsibilities
- Establish communication protocols
- Schedule and arrange for site visit for audit
- Review requirements/expectations for PA
- Set schedule for submission and review of PA



See sample agenda for kickoff meeting

Purpose of the PA

- The PA is a high-level description of a feasible project based on ESCO's walk-through audit and any information provided by agency
- Expected to give agency enough information to make a confident decision about proceeding with project
- Intended to be produced at modest cost to ESCO
- Not expected to reflect a complete understanding of site/agency-specific requirements; not expected to be perfect

Key Elements of the PA

- Must comply with IDIQ contract requirements (section H.4), however:
- IDIQ gives agency CO broad discretion to define requirements
- Key elements
 - A narrative summary of proposed project
 - Description of ECMs
 - Estimates of proposed energy and cost savings
 - M&V approach (general)
 - Financial schedules
 - Management Plan
 - Risk, Responsibility, and Performance Matrix

PA Review – General Issues

- Does this meet (or can it be adjusted to meet) the majority of our needs?
- Does the PA show the ESCO listened and tried to meet our goals and needs?
- Is the proposed scope sufficiently comprehensive?
- Can our agency and the ESCO have a good long-term partnership?

PA Review – Specific Issues

- Are ECM descriptions and projected energy savings reasonable?
- Is M&V approach appropriate?
- Are contract term and total cost acceptable?
- Are all agreed on ECMs to be explored in investment-grade audit?

Review ESCO's Project Management Approach

- ESCO's organizational structure
- Project management organization, approach, and project timeline
 - Is a full-time ESCO project manager assigned?
- Proposed O&M services
- Proposed repair and replacement services

Evaluating the ESCOs' Technical Approach

- Things to consider:
 - Comprehensiveness/depth of proposed scope
 - Responsiveness to your desired ECMs and approach
 - ESCO's assumptions and exceptions
 - Changes to facility operations as result of installed ECMs
- Note: If selecting based on PA, inviting ESCOs to make presentations may help in selecting among finalists
- If selecting based on qualifications, doing interviews with each ESCO would be helpful.

Key Components of the Price Estimate

- Project development costs
- Costs for each ECM, including replacement parts and repairs
- Indirect costs and profit
- Financing costs
- Costs of performance period services
- [More to come on pricing and Task Order (TO) Financial Schedules]

The Go/No-Go Decision



GO

Accept the
PA

Provide
feedback on
deficiencies
and desired
changes to
address in
final proposal



No
Go

Return and
reject PA if not
satisfactory

Scrap the
project, or
consider
starting over
(sending new
NOO to all
ESCOs)

(All rejected PAs must be dealt with as specified in the solicitation.)

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The Notice of Intent to Award (NOI)

- Formalizes decision to proceed
- Specifies timeframe for completion of investment-grade audit (IGA) and proposal
- Outlines any pre-award requirements (such as proof of insurance)
- May be issued concurrently with TO-RFP

Prior to Issuing Notice of Intent to Award...

- Confirm intent to proceed with all site and other affected personnel
- Verify IDIQ ordering capacity with DOE Golden Office
 - Likely not an issue – each ESCO has \$5B contract ceiling – but need to check

Review Questions

Q1: What does NOO stand for?

A: Notice of Opportunity

Q2: A minimum of how many ESCOs must be selected from those who respond to the NOO?

A: Two

Q3: Where in the DOE ESPC IDIQ do you find ESCO selection requirements?

A: Section H.3

Q4: In addition to ESCOs' responses to the NOO, how can you evaluate ESCOs' qualifications?

Q4 Answers:

- Review ESCOs' qualification statements
- Ask ESCOs to provide contact info for previous customers
- Review ESCOs' financial standing

Q5: What document formalizes the agency's decision to proceed and specifies a schedule for completion of the investment-grade audit?

A: Notice of Intent to Award (NOITA)

Q6: What is one thing the agency should do before issuing the Notice of Intent to Award?

A: Confirm intent to proceed with all site and other affected personnel and/or (2) verify IDIQ ordering capacity (via DOE FFS)



Exercise 2 –

ESCO Selection



Exercise 3 – PA Review



Next: F

Introduction to M&V